

Internal Revenue Service, Treasury

§ 301.6652-1

(\$800 shown on the return less \$700 paid on or before April 15). There will also be imposed an additional amount under section 6651(a)(1) of \$58, determined as follows:

20 percent (5% per month for the 3 months from April 16 through July 15 and 5% for the fractional part of the month from July 16 through July 20) of the net amount due of \$300 (\$1,000 required to be shown on the return less \$700 paid on or before April 15)	\$60
Reduced by the amount of the addition imposed under section 6651(a)(2) for those months	2
Addition to tax under section 6651(a)(1)	\$50

(b) A notice and demand for the \$200 deficiency is issued on January 8, 1971, but the taxpayer does not pay the deficiency until December 23, 1971. In addition to interest there will be imposed an additional amount under section 6651(a)(3) of \$10, determined as follows:

Addition computed without regard to limitation: 6 percent (5½% for the 11 months from January 19, 1971, through December 18, 1971, and 0.5% for the fractional part of the month from December 19 through December 23) of the amount stated in the notice and demand (\$200)	\$12
Limitation on addition: 25 percent of the amount stated in the notice and demand (\$200)	\$50
Reduced by the part of the addition under section 6651(a)(1) for failure to file attributable to the \$200 deficiency (20% of \$200)	\$40
Maximum amount of the addition under section 6651(a)(3)	\$10

Example 2. An individual files his income tax return for the calendar year 1969 on December 2, 1970, and such delinquency is not due to reasonable cause. The balance due, as shown on the return, of \$500 is paid when the return is filed on December 2, 1970. In addition to interest and the addition for failure to pay under section 6651(a)(2) of \$20 (8 months at 0.5% per month, 4%), there will also be imposed an additional amount under section 6651(a)(1) of \$112.50, determined as follows:

Penalty at 5 percent for maximum of 5 months, 25 percent of \$500	\$125.00
Less reduction for the amount of the addition under section 6651(a)(2): Amount imposed under section 6651(a)(2) for the months in which there is also an addition for failure to file—2½ percent for the 5 months April 16 through September 15 of the net amount due (\$500)	12.50
Addition to tax under section 6651(a)(1)	\$112.50

(g) *Treatment of returns prepared by the Secretary—(1) In general.* A return prepared by the Secretary under section 6020(b) will be disregarded for purposes of determining the amount of the addition to tax for failure to file any return pursuant to paragraph (a)(1) of

this section. However, the return prepared by the Secretary will be treated as a return filed by the taxpayer for purposes of determining the amount of the addition to tax for failure to pay the tax shown on any return and for failure to pay the tax required to be shown on a return that is not so shown pursuant to paragraphs (a)(2) and (3) of this section, respectively.

(2) *Effective date.* This paragraph (g) applies to returns the due date for which (determined without regard to extensions) is after July 30, 1996.

[T.D. 7133, 36 FR 13594, July 22, 1971, as amended by T.D. 7160, 37 FR 2507, Feb. 2, 1972; T.D. 7260, 38 FR 4259, Feb. 12, 1973; T.D. 8651, 61 FR 262, Jan. 4, 1996; T.D. 8703, 61 FR 69031, Dec. 31, 1996; T.D. 8725, 62 FR 39117, July 22, 1997; T.D. 8895, 65 FR 50408, Aug. 18, 2000]

§ 301.6652-1 Failure to file certain information returns.

(a) *Returns with respect to payments made in calendar years after 1962—(1) Payments of dividends, interest, or patronage dividends aggregating \$10 or more.* In the case of each failure to file a statement required by—

(i) Section 6042(a)(1), relating to information returns with respect to payments of dividends aggregating \$10 or more in a calendar year, in effect with respect to payments made after December 31, 1962,

(ii) Section 6044(a)(1), relating to information returns with respect to certain payments by cooperatives aggregating \$10 or more in a calendar year, in effect with respect to payments made on or after the first day of the first taxable year of the cooperative beginning after December 31, 1962, with respect to patronage occurring on or after such first day, or

(iii) Section 6049(a)(1), relating to information returns with respect to payments of interest aggregating \$10 or more in a calendar year, in effect with respect to payments made after December 31, 1962, and the regulations under such section, within the time prescribed for filing such statement (determined with regard to any extension of time for filing), there shall be paid by the person failing to so file the statement \$10 for each such statement not so filed. However, the total amount imposed on the delinquent person for

all such failures under section 6652(a) and this section during any calendar year shall not exceed \$25,000.

(2) *Other payments; statements with respect to tips.* In the case of each failure—

(i) To file a statement of a payment made to another person required under authority of section 6041, relating to information returns with respect to certain information at source, or section 6051(d), relating to information returns with respect to payments of wages as defined in section 3401(a), or section 6050(a), relating to information returns with respect to remuneration of certain crew members defined in section 3121(b)(20), or

(ii) To furnish a statement required under authority of section 6053(b), relating to statements furnished by employers with respect to tips, or section 6050A(b), relating to statements furnished by fishing boat operators with respect to remuneration of certain crew members, within the time prescribed by regulations under those sections for filing such statements (determined with regard to any extension of time for filing),

There shall be paid by the person failing to so file the statement \$1 for each such statement not so filed. However, the total amount imposed on the delinquent person for all such failures during any calendar year shall not exceed \$1,000.

(b) *Returns with respect to payments made in calendar years before 1963 and to certain payments by cooperatives after 1962.* In the case of each failure to file a statement, with respect to a payment to another person, required under authority of—

(1) Section 6041, relating to information returns with respect to certain information at source, in effect with respect to payments made before 1963,

(2) Section 6042(1), relating to information returns with respect to payments of corporate dividends, in effect with respect to payments made before 1963,

(3) Section 6044, relating to information returns with respect to payments of patronage dividends, in effect with respect to payments made by a cooperative with respect to patronage occurring before the first day of the first

taxable year of the cooperative beginning after December 31, 1962, or

(4) Section 6051(d), relating to information returns with respect to payments of wages as defined in section 3401(a), in effect with respect to payments made before 1963,

and the regulations under such section, within the time prescribed for filing such statement (determined with regard to any extension of time for filing), there shall be paid by the person failing to so file such statement \$1 for each such statement not so filed. However, the total amount imposed on the delinquent person for all such failures during any calendar year shall not exceed \$1,000.

(c) *Returns with respect to reporting payments of wages in the form of group-term life insurance provided in a calendar year after December 31, 1963.* In the case of each failure to file a return required by section 6052(a), relating to reporting payment of wages in the form of group-term life insurance provided for any employee on his life in a calendar year after December 31, 1963, and the regulations under such section, within the time prescribed for filing such return (determined with regard to any extension of time for filing), there shall be paid by the person failing to so file such return \$10 for each such return not so filed. However, the total amount imposed on the delinquent person for all such failures under section 6652(a) and this section during any calendar year shall not exceed \$25,000.

(d) *Returns with respect to transfer of stock or record title thereto pursuant to options exercised on or after January 1, 1964.* In the case of each failure to file a statement of the transfer of stock or of record title thereto as required by section 6039(a) and the regulations under such section within the time prescribed for filing such statement (determined with regard to any extension of time for filing), there shall be paid by the corporation failing to so file such statement, \$10 for each such statement not so filed. However, the total amount imposed on the delinquent corporation for all such failures under section 6652(a) and this section during any calendar year shall not exceed \$25,000.

(e) *Manner of payment.* The amount imposed under subsection (a), (b), or (c) of section 6652 and this section on any person shall be paid in the same manner as tax upon the issuance of a notice and demand therefor.

(f) *Showing of reasonable cause.* The amount imposed by subsection (a), (b), or (c) of section 6652 shall not apply with respect to a failure to file a statement within the time prescribed if it is established to the satisfaction of the district director or the director of the Internal Revenue Service Center that such failure was due to reasonable cause and not to willful neglect. An affirmative showing of reasonable cause must be made in the form of a written statement, containing a declaration that it is made under the penalties of perjury, setting forth all the facts alleged as a reasonable cause.

(g) *Alcohol and tobacco taxes.* For penalties for failure to file certain information returns with respect to alcohol and tobacco taxes, see, generally, subtitle E of the Code.

(h) *Tips.* For regulations under section 6652(c) in respect of failure to report tips, see § 31.6652-1 of this chapter (Employment Tax Regulations).

[32 FR 15241, Nov. 3, 1967, as amended by T.D. 7001, 34 FR 1006, Jan. 23, 1969; T.D. 7127, 36 FR 11503, June 15, 1971; T.D. 7716, 45 FR 57124, Aug. 27, 1980]

§ 301.6652-2 Failure by exempt organizations and certain nonexempt organizations to file certain returns or to comply with section 6104(d) for taxable years beginning after December 31, 1969.

(a) *Exempt organization or trust.* In the case of a failure to file a return required by—

(1) Section 6033, relating to returns by exempt organizations, trusts described in section 4947(a)(1) and non-exempt private foundations,

(2) Section 6034, relating to returns by certain trusts, or

(3) Section 6043(b), relating to returns regarding the liquidation, dissolution, termination, or substantial contraction of an exempt organization,

within the time and in the manner prescribed for filing such return (determined with regard to any extension of time for filing), unless it is shown that

such failure is due to reasonable cause, there shall be paid by the exempt organization or trust failing to file such return \$10 for each day during which such failure continues. However, the total amount imposed on any exempt organization or trust under this paragraph for such failure with regard to any one return shall not exceed \$5,000.

(b) *Managers.* If an exempt organization or trust fails to file under section 6652(d)(1), the Commissioner may, by written demand, request that such organization or trust file the delinquent return within 90 days after the date of mailing of such demand, or within such additional period as the Commissioner shall determine is reasonable under the circumstances. If such organization or trust does not so file on or before the date specified in such demand, there shall be paid by the person or persons responsible for such failure to file \$10 for each day after such date during which such failure continues, unless it is shown that such failure is due to reasonable cause. However, the total amount imposed under this paragraph on all persons responsible for such failure with regard to any one return shall not exceed \$5,000.

(c) *Public inspection of private foundations' annual returns—*(1) *In general.* In the case of a failure to comply with the requirements of section 6104(d), relating to public inspection of private foundations' annual returns, within the time and in the manner prescribed for complying with section 6104(d), unless it is shown that such failure is due to reasonable cause, there shall be paid by the person or persons responsible for failing to comply with section 6104(d) \$10 for each day during which such failure continues. However, the total amount imposed under this subparagraph on all persons responsible for any such failure with regard to any one annual return shall not exceed \$5,000.

(2) *Amount imposed.* The amount imposed under section 6652(d)(3) is \$10 per day for a failure to comply with section 6104(d). For example, assume that an annual return must be filed by private foundation X on or before May 15, 1982, for the calendar year 1981. The foundation without reasonable cause does not comply with section 6104(d) by publishing notice of the availability of